

## House Republican Press Release

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### Fund Teachers' Pensions Now



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Public school teachers perform a vital service to children and the community through the education of our young people. Many talented men and women make personal sacrifices in choosing this important field.

Nevertheless, many legislators have turned a deaf ear when it comes to the teachers' retirement program. The state legislative majority has overlooked a number of key issues in recent years, and none is more notorious than the chronically underfunded Connecticut Teachers' Retirement System.

When last officially calculated two years ago, the unfunded liability in the teachers' pension program was an astonishing \$5,223,799,619. Today, that number is at least \$6 billion, as the majority leadership has repeatedly dismissed calls to properly fund the system.

The teachers' retirement system is a fair plan that provides reasonable benefits to men and women who perform an important service to society, but they continue to be grossly neglected when it comes to their pension funding.

Since 1979, state law has directed that funding be done on an actuarial basis, but that law has been ignored in recent tight budget years. In recent budgets, Democratic legislative leaders have included contributions of barely 70 percent of amounts that are required under actuarial funding, which is based on the number of active and retired teachers now in the systems and their life expectancy.

This short-sighted disregard of common-sense financial planning must end. Full 100 percent funding of the teachers retirement program, which was last done in 2001, must resume immediately.

With every passing year of diminished funding, the state loses investment earnings and this only makes the problem greater for future legislatures and future taxpayers. The deficit grows alarmingly with each underfunded year.

By way of history, state government decades ago assumed responsibility from the towns and cities to run the teachers' retirement system. It is one of several defined benefit programs the state runs, including another underfunded system for state employees.

Basically, teachers contribute six percent of their salaries to the Connecticut Teachers Retirement System. The state adds a contribution that should be about \$428 million a year. Currently, the state contributes just \$282 million a year.

Under state law, teachers receive a retirement benefit that is essentially two percent of their salary for each year that he or she has worked. To receive full benefits, a teacher must have worked at least 20 years and have reached 60 years of age.

As the system's unfunded liability has exploded, teachers have been especially vocal in calling this problem to the attention of the legislature. Many fellow legislators and I on the Republican side of the aisle have taken up the cause.

Last year, we cosponsored a constitutional amendment to fully fund teachers' pensions. We urged more teacher pension funding to be included in the state's two-year 2005-2007 budget. When those efforts were disregarded, we moved on the House floor to bring up the constitutional amendment for full funding of teachers' pensions. That too was abruptly dismissed by a party-line vote.

Nevertheless, we succeeded in increasing public awareness of the teacher pension funding problems.

I sincerely hope this is the year that the issue comes to a head and action is taken. I believe Democrats this year will join with Republicans in doing more than talking about the problem and actually voting for full funding.

Rep. Tymniak serves the 133<sup>rd</sup> Assembly District of Fairfield and Westport in the state House of Representatives.